

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 390
DUE FOR ANSWERED ON 05.02.2024**

Economic Inequality

390. SHRI DEEPAK BAIJ:

Will the Minister of FINANCE be pleased to state:

- (a) whether the economic inequality in the country is continuously on the rise;
- (b) if so, the details thereof indicating the data regarding the economic inequality occurred between the rich and poor in the country during the last five years; and
- (c) the steps taken/being taken by the Government to bridge the gap between the rich and the poor people in the country?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) and (b): In India, the data on class distribution of income is not compiled centrally. However, household consumption expenditure data collected by National Sample Survey Office (NSSO) could be used as a proxy to capture the economic disparity in terms of consumption expenditure. The latest data of Large Sample Survey on Household Consumer Expenditure has been collected by NSSO in its 68th round conducted in 2011-12. The Gini coefficient (measuring the inequality between different expenditure classes of the population) in rural areas is observed to be almost same in 2004-05 and 2011-12 at 0.27 and 0.28 respectively. In the urban areas, the Gini coefficient has increased marginally from 0.35 in 2004-05 to 0.37 in 2011-12.

Further, the National Multidimensional Poverty Index Report, 2022, of the NITI Aayog, shows a remarkable decline in the prevalence of multidimensional poverty in India. According to the report, the proportion of multidimensionally poor in the population has declined from 24.85% in 2015-16 to 14.96% in 2019-21. Resultantly, 13.5 crore Indians are estimated to have escaped multidimensional poverty between 2015-16 and 2019-21. Niti Ayog further estimates that multidimensional poverty in India has declined from 29.17% in 2013-14 to 11.28% in 2022-23 with about 24.82 crore people escaping poverty during this period.

(c): The primary policy objective of the Government is development of all segments of the population. Its focus on inclusive growth is reflected in commitment to “*Sabka Saath, Sabka Vikas and Sabka Vishwas*”, to reduce poverty and inequality, provide social security, income generation and livelihood options, and improve the quality of life of the vulnerable sections of the population in the country. As also mentioned in the Interim Budget of 2024-25, the development philosophy of the Government has covered all elements of inclusivity, namely, social inclusivity through coverage of all strata of the society, and geographical inclusivity through development of all regions of the country.

In this regard, the Government is implementing a number of targeted programmes such as Pradhan Mantri Awas Yojana (PMAY), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), National Social Assistance Programme (NSAP), Pradhan Mantri Jan-Dhan Yojana (PMJDY), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana, Atal Pension Yojana, Pradhan Mantri Mudra Yojana, Stand Up India Scheme, Umbrella Programmes for Development of Minorities and Other Vulnerable Groups; Rashtriya Krishi Vikas Yojna; fund transfer under PM-KISAN, PM Fasal Bima Yojana; fertiliser subsidies; interest subvention for dairy cooperatives; Agri-Infrastructure Fund for farm gate infrastructure etc. Government launched PM Vishwakarma scheme on 17 September 2023 to provide end-to-end support to artisans and craftspeople who work with their hands and tools, including inter-alia, collateral free ‘Enterprise Development Loans’ of upto ₹3 lakh.

Further, the Government is implementing various programmes, including Jal Jeevan Mission, Swachh Bharat Abhiyan, PM Ujjwala Yojana, PM Saubhagya Yojana, Ayushman Bharat, etc. to bring about overall improvement in the quality of life of the people through universal access to basic amenities.

The Government has also implemented the Aspirational Districts Programme (ADP), since 2018, aimed at comprehensive development of identified districts across various States/UTs, in six areas: (i) health & nutrition, (ii) education, (iii) agriculture & water resources, (iv) financial inclusion, (v) skill development, and (vi) basic infrastructure. In order to further strengthen this initiative, the Government has recently launched the Aspirational Blocks Programme covering 500 blocks for saturation of essential government services across multiple domains such as health, nutrition, education, agriculture, water resources, financial inclusion, skill development, and basic infrastructure.

During COVID-19, Government made several targeted interventions to mitigate the adverse impact of the pandemic on the lives and livelihoods of the people, particularly the vulnerable sections of the society through the Pradhan Mantri Garib Kalyan Yojana (PMGKY), implemented since April 2020. These included, inter alia, world's largest free food program, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), cash transfers to women Jan Dhan account holders, insurance cover for health workers fighting COVID-19, increase in MGNREGA wages, assistance to low wage earners in organised sectors, etc. The PMGKAY scheme was extended till December 2022. The allocation of free foodgrains under PMGKAY was in addition to the regular allocation done.

Further, the Central Government, to remove the financial burden of the poor beneficiaries decided to provide food grains free of cost to National Food Security Act, 2013 (NFSA) beneficiaries i.e. Antyodaya Anna Yojana (AAY) households and Priority Households (PHH), initially for a period of one year beginning from 1 January 2023 under the PMGKAY.

Keeping in view welfare of the beneficiaries and in order to strengthen the provisions of the NFSA, in terms of accessibility, affordability and availability of food grains for the poor and to maintain uniformity across the States, the Central Government, has decided to continue to provide free food grains to about 81.35 crore NFSA beneficiaries (i.e. AAY households and PHH beneficiaries) under the PMGKAY for a period of five years with effect from 1 January, 2024, as per entitlement under NFSA.

Keeping in view "Inclusive Development" as one of the priority areas of Budget 2023-24, Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN) was launched on 15 November 2023. The scheme focuses on 11 critical interventions through 9 Ministries and is aimed to improve socio-economic conditions of the PVTGs (particularly vulnerable tribal groups) by saturating PVTG households and habitations with basic facilities such as safe housing, clean drinking water and sanitation, improved access to education, health and nutrition, electricity, road and telecom connectivity, and sustainable livelihood opportunities. The first instalment to 1 lakh beneficiaries of Pradhan Mantri Awas Yojana - Gramin (PMAY-G) under PM-JANMAN has been released on 15 January 2024.

Further, recognizing that the investments in infrastructure and productive capacity have a large multiplier impact on growth and employment, the public capital expenditure has received a fillip in the recent years. The Union Budget of 2023-24 increased the capital investment outlay by 33 per cent to ₹ 10 lakh crore, which is 3.3 per cent of GDP and almost three times the outlay in 2019-20. The interim Budget of 2024-25 has further increased the outlay for capital expenditure by 11.1 per cent to ₹ 11.11 lakh core, which is 3.4 per cent of the GDP. The direct capital investment by the Centre is complemented by the provision for creating capital assets through Grants-in-Aid to States, hence "Effective Capital Expenditure" of the Centre was ₹ 12.71 lakh crore for 2023-24 (RE) and is budgeted at ₹14.97 lakh crore for 2024-25 (BE). This substantial increase in recent years will help enhance growth potential and job creation, crowd in private investments, and provide a cushion against global headwinds.
